X-pand into the Future

eurex circular 257/11

Date: October 21, 2011
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors
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⚠ **High priority**

Eurex Release 14.0: Changes to the Clearing Conditions for Eurex Clearing AG

Related Eurex Circular: 252/11

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Content may be most important for:	**Attachment:**
➲ All departments	Updated sections of the Clearing Conditions for Eurex Clearing AG, effective November 7, 2011

The production launch of Eurex Release 14.0 is scheduled for **November 7, 2011**.

In connection with the new release, changes to the Clearing Conditions for Eurex Clearing AG will become necessary concerning the following features:

- Give-ups from P1/P2 accounts for NCMs
- "Risk Adjusted Maximum Order Size" replacing the existing "Maximum Wholesale Quantity"

The updated sections of the Clearing Conditions, which will become effective on November 7, 2011, are attached to this circular.

We kindly ask you to consider the modifications.

The complete document will be published on the effective date on the Eurex website under the path:

www.eurexchange.com > Documents > Rules & Regulations > Clearing Conditions

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AMENDMENTS ARE MARKED AS FOLLOWS:
INSERTIONS ARE UNDERLINED
DELETIONS ARE CROSSED OUT

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Chapter II
Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)

Part 1
General Provisions

[…]

1.3 Accounts

1.3.1 Types of Position Accounts

(1) With regard to the accounts of the Clearing Member, Chapter I Part 1 Number 4 together with Part 2 Number 4 or Part 3 Number 4 apply in addition to the following provisions.

(2) In deviation to Chapter I Part 1 Number 4 together with Part 2 Number 4 or Part 3 Number 4, Eurex Clearing AG opens and maintains with respect to each Clearing Member the following transaction accounts in which the Transactions of the Clearing Member to be cleared have to be booked:

(a) with respect to Own Transactions and Customer-Related Transactions: two Own Accounts, ~~two~~ further Customer Accounts~~,~~ upon request, and two market maker accounts (each a "**Market Maker Account**"); and

(b) with respect to NCM-Related Transactions: two Own Accounts, ~~two~~ further Customer Accounts~~,~~ upon request, and two Market-Maker Accounts (each a "**Market Maker Account**").

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1.3.5 Account Management

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(7) Transfers of transactions from the relevant Customer Account (Part 1 Number 1.3.1 Paragraph (2)) of a Clearing Member to Customer Accounts and Own Accounts (Part 1 Number 1.3.1 Paragraph (2)) of another Clearing Member (Give-Up Trades) can be carried

out on the day when the respective transaction is concluded and ~~on any of~~ the two subsequent Business Days, insofar as

- ~~a Clearing Member or its respective Non-Clearing Member (Executing Broker) has carried out a customer order;~~
- ~~this order has been matched with another order or quote through the system of the Eurex Exchanges in accordance with the Conditions for Trading at Eurex Deutschland and Eurex Zürich;~~
- the matched transaction is an opening trade (Eröffnungsgeschäft);
- the order entered or the ~~completed~~ transaction completed ~~matched~~ was indicated as a Give-Up Trade;
- the transfer of the transaction was notified to the ~~other~~ accepting Clearing Member and – if applicable – to the ~~or~~ Non-Clearing Member ~~(Clearing Broker)~~affected by such acceptance; and
- the~~is~~ accepting Clearing Member or – if applicable – the Non-Clearing Member affected by such acceptance – such Non-Clearing Member acting as the agent for such Clearing Member – has confirmed the acceptance of the transaction.

Transfers of transactions from the relevant Own Account of a Clearing Member for NCM-Related-Transactions (Part 1 Number 1.3.1 Paragraph (2)) to the Customer Account (Part 1 Number 1.3.1 Paragraph (2)) of the same or of another Clearing Member can be carried out on the day when the respective transaction is concluded and the two subsequent Business Days, insofar as

- the person for whose account the transaction was originally concluded remains identical after such transfer;
- the matched transaction is an opening trade (Eröffnungsgeschäft);
- the order entered or the transaction completed was indicated as a Give-Up Trade;
- the transfer of the transaction was notified to the accepting Clearing Member and – if applicable – to the Non-Clearing Member affected by such acceptance; and
- the accepting Clearing Member or – if applicable – the Non-Clearing Member affected by such acceptance – such Non-Clearing Member acting as the agent for such Clearing Member – has confirmed the acceptance of the transaction.

Chapter VII
Transactions Concluded on the European Energy Exchange (EEX)

Part 1
General Provisions

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1.1

1.2

1.3 Accounts

[…]

1.3.1

1.3.2

1.3.3

1.3.4

1.3.5 Account Management

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(7) With regard to transfers of transactions (Give-up Trades), the provisions regarding Eurex transactions (Chapter II Part 1 Number 1.3.5 (7)) shall apply accordingly.~~Transfers of transactions from the relevant Customer Account of a Clearing Member to Customer Accounts and Own Accounts of another Clearing Member (Give-Up Trades) can be carried out on the day when the respective transaction is concluded and on any of the two subsequent Business Days if the customer so demands, insofar as~~

~~- a Clearing Member or its respective Non-Clearing Member has carried out a customer order;~~

~~- the matched transaction is an opening trade;~~

~~- the transfer of the transaction was notified to the other Clearing Member or Non-Clearing Member; and~~

~~- this Clearing Member or Non-Clearing Member as substitute of this Clearing Member has confirmed the acceptance of the transaction.~~

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Chapter I General Provisions

Part 1
General Clearing Provisions

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11 Other Agreements between Clearing Members and Non-Clearing Members with regard to the Clearing of Eurex Transactions and EEX Transactions

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11.2 Limitation of orders or quotes (Pre-Trade Limits)

The Clearing Member and a Non-Clearing Member may agree on the limitation of orders or quotes which may be entered into the systems of a Market by such Non-Clearing Member or the Clearing Member ("**Pre-Trade Limits**").

11.2.1 Pre-Trade Limits may include one or more restrictions or a combination thereof listed hereinafter:

(1) Maximum number of contracts with regard to a product per order or per quote. Insofar, the following limit is considered according to the type of order:

(a) maximum number of contracts per order or quote ("**Maximum Order Quantity**"), provided they do not relate to combined orders or combined quotes; or

(b) maximum number of contracts per combined order or combined quote ("**Maximum Calendar Spread Quantity**"), related to specific products~~; or~~.

~~(c)~~(2) For over-the-counter transactions:~~maximum~~ Maximum amount of money in the product currency that is the result of a product specific risk evaluation per transaction ~~number of contracts per transaction concluded off-exchange, related to specific products~~ ("Risk Adjusted Maximum Order Size~~**Maximum Wholesale Quantity**~~").

~~(2)~~(3) Maximum aggregate margin requirement or maximum margin requirement with respect to specific Eligible Margin Assets, which in each case the Clearing Member is obliged to fulfil in accordance with the Clearing Conditions as a result of the conclusion of Transactions for the Non-Clearing Member.

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